Perspectives on Immigration:

Findings from the Canadian Labour and Business Centre's Survey of Canadian Business, Labour and Public Sector Leaders

Final Report

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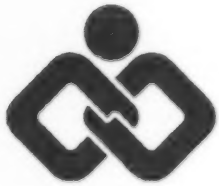

Canadian Labour
and Business Centre

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Background and Context

Throughout Canada's history, immigration has been an important if not critical part of Canada's labour supply. Results from the latest Census of Canada suggest that the last decade of the 20th century has been no exception. Between 1991 and 2001, Canada's labour force increased by 1.4 million, with 70 per cent of this increase attributable to the 978,000 immigrants who arrived in Canada during the decade and joined the country's workforce[1]. The addition of new immigrants to the labour force does not appear to have harmed the country's economic performance. On the contrary, between 1991 and 2001, Canada's Gross Domestic Product increased by 37 per cent, the number of employed Canadians increased by 2.2 million or 17 per cent, and the unemployment rate fell from 10.3 to 7.2 per cent.

Canada's reliance on immigration for labour force growth is up sharply from the 1980s, and in coming decades is expected to account for all of the country's net labour force growth. However, in some jurisdictions, the national projection is the current provincial reality. In Ontario, which each year receives the majority of Canada's new immigrants, virtually all growth in the labour force during the 1990s (97%) resulted from new immigrants (Table 1). In other provinces such as Saskatchewan and Nova Scotia, which receive proportionately fewer new immigrants, labour force growth was entirely due to immigration.

The importance of immigration as a source of new labour is underscored by two key labour force trends. The Canadian labour force is growing more slowly, and is ageing. Movement of the 'baby boom' generation into their late 40s and 50s, combined with fewer young labour force entrants has meant that Canadian workers 45 years of age and over formed an increasing share of the labour force during the 1990s. In 1990, this group formed about 26 per cent of the labour force, but by 2002 their share had risen to 34 per cent[2].

The potential for a large and rapid exit of retiring workers in the coming decade has raised concerns in many quarters about current and future labour shortages, especially of skilled workers and professionals. Numerous industry associations and sector councils, including those in health care, education, construction, transportation, and manufacturing, are examining the issue of skill shortages, and developing strategies to address human resource requirements.

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1 Canada's reliance on immigration for labour force growth is greater than – but not dissimilar to - that of the United States. Between 1990 and 2000, 50% of U.S. labour force growth was due to immigration. See *Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labour Force Growth in the 1990s*. Andrew Sum, Neeta Fogg, Paul Harrington. Northeastern University, Center for Labor Market Studies.

2 Statistics Canada, *Labour Force Historical Review 2002*. CD-ROM Catalogue 71F0004XCB.

Table 1
Contribution of Recent Immigrants to Labour Force Growth, Canada, Provinces and Selected Metropolitan Areas, 1991-2001

	Total Labour Force			Recent immigrants[1] in the labour force, 2001	Percent of Net Labour Force Growth due to Recent Immigrants
	1991	2001	Net Growth		
Canada	14,474,940	15,872,070	1,394,130	977,555	70
Newfoundland	267,160	241,500	-25,660	945	**
Prince Edward Island	68,285	73,635	5,350	350	7
Nova Scotia	447,525	451,375	3,850	4,770	124
New Brunswick	355,695	371,805	16,110	2,160	13
Quebec	3,537,640	3,742,485	204,845	124,935	61
Ontario	5,511,235	6,086,820	575,585	557,935	97
Manitoba	567,665	585,425	17,760	18,010	101
Saskatchewan	506,300	512,240	5,940	6,170	104
Alberta	1,419,280	1,696,760	277,480	74,815	27
British Columbia	1,748,925	2,059,945	311,020	186,360	60
Yukon	17,010	17,945	935	490	52
Northwest Territories	20,075	20,785	710	530	75
Nunavut	8,155	11,355	3,200	80	3
Toronto	2,232,475	2,564,590	332,115	439,360	132
Montreal	1,715,765	1,814,170	98,405	111,985	114
Vancouver	896,525	1,073,010	176,785	160,050	91
Ottawa-Hull	536,865	594,945	58,080	36,555	63
Calgary	441,195	568,465	127,270	39,715	31

**Percentage not calculated since labour force growth between 1991 and 2001 was negative.
Source: Census of Canada.

Given the current and projected labour force demographics, and the concerns about future skill requirements, it would appear that current and planned immigration levels are well-advised. During the 1990s, an average of 220,000 immigrants came to Canada each year. This average is well above the annual average of the 1980s (125,000 per year), and may very well increase further. Citizenship and Immigration Canada has a "long-term objective of moving gradually to immigration levels of approximately one per cent of Canada's population, while bearing in mind Canada's absorptive capacity"[3]. Moreover, the educational profile of new immigrants is consistent with the desire to attract skilled labour from abroad. A large percentage of new immigrants arrive each year with post-secondary education and training. In 2001, 46 per cent of new immigrants aged 15 and over held a university degree, and an additional 14 per cent held a non-university diploma or trade certificate[4]. To put these figures in perspective, it is noteworthy that the number

[3] Citizenship and Immigration Canada. *Pursuing Canada's Commitment to Immigration: The Immigration Plan for 2002.*

[4] Citizenship and Immigration Canada. *Facts and Figures 2001: Immigration Overview.*

of new immigrants in 2001 with a bachelor's degree actually exceeds the total number of undergraduate degrees granted in 1998 by Ontario's 29 universities – 66,013 versus 53,664.

While Canada's immigration system has several objectives, including family reunification and humanitarian commitment, it plays an important role in meeting the nation's human resource requirements. It is therefore useful to shed light on Canadian management and labour leaders' perspectives on immigration-related issues, particularly as they will reflect the practical workplace context within which organizations address immigration issues. This report presents an analysis of business and labour leaders' views on immigration-related issues, drawing from the CLBC's recently completed 2002 *Viewpoints* survey. The research examines the attitudes and perspectives of public and private sector leaders with respect to immigration levels, immigrant selection, recognition of foreign-credentials and the importance of immigration as a specific approach to addressing skill shortages and human resource requirements.

Methodology

In April and May 2002, CLBC mailed 6,100 survey questionnaires to business, labour and public sector leaders (education, health and government). There were two versions of the questionnaire, one for private and public sector managers and another for private and public sector labour leaders. The questionnaires were, for the most part, identical in content. However, questions were in some instances worded differently to reflect the organizational differences of managers and labour leaders (see Appendix 2). By mid-June, 1,145 responses had been received, for an overall response rate of 18%, normal for surveys of this type. The responses were as follows:

Private sector managers CEOs, Presidents, CFOs **36% (n=409)**	**Private sector labour leaders** National and Local Representatives **23% (n=264)**
Public sector managers Government Education Health Care **25% (n=291)**	**Public sector labour leaders** Government Education Health Care **16% (n=181)**

The survey sample was drawn primarily using the Dun & Bradstreet (D&B) database, which included private firms, labour organizations, schools and hospitals. Since the survey sought to identify the perspectives of opinion leaders from each constituency, it was essential to identify, by name, the senior representative at each of the locations included in the database. Personalized letters and questionnaires were sent to these individuals. This database was supplemented by individual lists from particular organizations.

For individual constituencies, the identification of respondents was as follows:

Private Sector and Public Sector Labour: Questionnaires were sent to the senior local representative at labour organizations listed in the D&B database. In some cases these included unions' national offices, in others, local offices. This list was supplemented by names from the website of the Directory of Labour Organizations in Canada, maintained by the Workplace Information Directorate of Human Resources Development Canada. Responses were grouped into *Public Sector Labour* and *Private Sector Labour*.

Private Sector Business: Questionnaires were sent to the senior local representative at business organizations selected (based on regional and establishment size stratification) from the D&B database. In some cases these were corporate offices, in others, individual plants or locations. For large firms, the questionnaires were sent to the Vice-President of

Human Resources, while for small and medium-sized firms/locations the questionnaires went to owners, CEOs, or general managers. The D&B database was supplemented by lists of the Board members of Canadian Manufacturers & Exporters and the Canadian Chamber of Commerce, as well as corporate members of the Canadian Construction Association. In the analysis and text that follows, this constituency is also referred to as *Business* and *Private Sector Management.*

Public Sector Management: Questionnaires were sent to the senior representatives of hospitals (usually hospital CEOs or Administrators) and elementary/secondary schools (usually principals) listed in the D&B database. The D&B database was supplemented by a representative database of senior municipal government administrators supplied by the Federation of Canadian Municipalities. Also included were lists of presidents of Canadian universities and community colleges, and senior federal and provincial government officials at the Deputy Minister/Assistant Deputy Minister level, with responsibility for employment, labour, or labour market matters.

It must be noted that while the survey results can be said to reflect the views of an important cross-section of Canadian business and labour leaders, they are not claimed to be scientifically representative of the views of these constituencies.

Views on Immigration Levels

Measured in absolute numbers, Canada during the 1990s experienced the greatest wave of new foreign immigration in its history. Between 1990 and 1999, 2.2 million immigrants came to Canada, about 300,000 more than the 1.9 million coming between 1910 and 1919[5]. In this section, we examine the views of business, labour and public sector leaders about immigration levels: whether they are seen as too high or too low, and whether more or less emphasis should be given to increasing immigration.

Viewpoints 2002 Leadership Survey respondents were asked to consider a broad range of issues facing the Canadian economy and labour market. The issues probed ranged from international competitiveness, to health care to unemployment. In total, we presented 39 different issues to determine how respondents viewed each issue: whether it was "not a problem", a "moderate problem" or a "serious problem" (see Appendix 2, Question #1). Two of the 39 issues were in relation to immigration levels: "too high immigration levels" and "too low immigration levels".

Immigration Levels Not Viewed as a Serious Problem

When asked whether "too high immigration levels" are a problem for the economy and labour market, most respondents said it was "not a problem" (see Table 2). One-half of private sector managers, and nearly two-thirds of public sector managers held this view. Even among labour leaders, who might be inclined to see immigration as a threat to their members' job security, "too high immigration" was most commonly judged as "not a problem". Fifty-eight per cent of public sector labour leaders and 43 per cent of private sector labour leaders held this view.

Relatively small shares of managers and labour leaders viewed "too high immigration" as a serious problem for the economy and labour market. In the private sector, less than 25 per cent of managers and labour leaders viewed "too high immigration" as a "serious problem". Even fewer public sector leaders – 14 per cent – held this view.

When "too high immigration" was seen as a problem, it was more likely to be viewed as a moderate problem.

If business and labour leaders did not view "too high immigration" as a serious problem, they were even less likely to view "too low immigration" as a serious problem. Less than 15 per cent of business and labour leaders felt that "too low immigration" was a serious problem facing the Canadian economy and labour market.

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5 Citizenship and Immigration Canada. *Facts and Figures 2001*. The most recent 10 year interval for which we have data shows 2.23 million immigrants came to Canada (1992 to 2001). However, the highest level of immigration in any 10 year interval occurred in the years spanning 1905 through 1914 (2.488 million immigrants came to Canada).

These findings suggest that for the most part, immigration levels are not viewed as excessively high or low, insofar as they would constitute serious problems for the Canadian economy.

Table 2
Leadership Views on Immigration Levels, 2002
In your view, how serious are the following issues facing the economy and labour market?

	Managers		Labour Leaders	
	Private Sector %	Public Sector %	Private Sector %	Public Sector %
Too-High Immigration Level				
Not a problem	52	64	43	58
Moderate problem	27	22	34	28
Serious problem	22	14	23	14
	100	100	100	100
Too-Low Immigration Level				
Not a problem	53	48	51	47
Moderate problem	33	39	39	42
Serious problem	14	14	10	11
	100	100	100	100

Source: Canadian Labour and Business Centre, *Viewpoints 2002 Leadership Survey*

How Does Concern About Immigration Levels Rank in Relation to Other Issues?

Concern about immigration levels ranks very low among the 39 issues presented to our survey respondents for evaluation. "Too high immigration levels" was the 25th most serious issue facing the economy among private sector managers and the 34th among public sector managers. Concern about "too low immigration levels" ranked even lower, especially among labour leaders (#38 among public sector labour and #39 among private sector labour).

In comparison, "health care issues" was the number one concern of public sector managers and labour leaders in both sectors. The number one concern of private sector managers was high personal taxes, while health care issues ranked third for this group (a complete listing of the 39 issues, and the percentage of respondents viewing the issue as a serious problem, is presented in Appendix 1).

It is also interesting to note the apparent "disconnect" between the issues of immigration levels and skill shortages. The latter issue ranked among the top 10 issues of serious concern among both managers and labour leaders, where one-half or more viewed it as a serious problem facing the economy and labour market. In the case of public sector managers, skill shortages was the second most serious issue (57 percent said it was a serious problem and a further 40 per cent said it was a moderate problem). Yet despite

this concern with skill shortages, only 14 per cent of public sector managers felt that "too low immigration levels" was a serious problem.

Table 3
How "Immigration Levels" Ranks as an Issue of Serious Concern

	Too High Immigration Levels		Too Low Immigration Levels	
Leadership	Rank Among 39 Issues*	Percent viewing issue as a "serious problem"	Rank Among 39 Issues*	Percent viewing issue as a "serious problem"
Private Sector Labour	#33	23%	#39	10%
Private Sector Managers	#25	22%	#32	14%
Public Sector Managers	#34	14%	#36	14%
Public Sector Labour	#35	14%	#38	11%

* Ranking is based on the percent of leaders viewing the issue as a "serious problem facing the economy and labour market".
Source: Canadian Labour and Business Centre, *Viewpoints 2002 Leadership Survey*

Perspectives on Increasing Immigration Levels

Managers and labour leaders were also asked about the emphasis they felt should be given to increasing immigration levels. Between 40 and 50 per cent of respondents felt that the current emphasis is "right" (see Table 4). A smaller percentage of managers and labour leaders, ranging from 19 to 29 per cent, felt that increasing immigration "needs more emphasis". Combining these two response categories, the findings show that a solid majority of business, labour, and public sector leaders view the current emphasis on increasing immigration as either "right" or in need of additional effort. To the extent that *Viewpoints* respondents are knowledgeable about current and planned immigration levels, the findings would suggest that these constituencies are largely supportive of Canada's approach to immigration levels.

The same question on the emphasis that should be given to increasing immigration was asked in CLBC's previous *Viewpoints 2000* survey (it was not included in earlier *Viewpoints* surveys). Comparison of the 2002 results with those from 2000 show an interesting pattern of "polarization" among all four groups of managers and labour leaders. That is to say, the proportion of respondents agreeing that the current emphasis is

right has declined, with the difference accruing more or less equally to the opposing views of less/more emphasis required. We can only speculate on the reasons for this polarization of views, but two factors may have been influential. First immigration levels have increased between the two surveys, by 60,000 or 32 per cent between 1999 and 2001. Second, unemployment rates have ratcheted upwards from 6.8 per cent in 2000 to 7.7 per cent in 2001.

Table 4
Leadership Views on Increasing Immigration
What emphasis should be given to increasing immigration?

	Viewpoints 2000 (%)	Viewpoints 2002 (%)	Percentage Point Change
Managers, Private Sector			
Needs less emphasis	32	36	+4
Emphasis is right	53	40	-13
Needs more emphasis	15	24	+9
	100	100	
Managers, Public Sector			
Needs less emphasis	17	27	+10
Emphasis is right	66	44	-22
Needs more emphasis	17	29	+12
	100	100	
Labour Leaders, Public Sector			
Needs less emphasis	30	34	+4
Emphasis is right	55	48	-7
Needs more emphasis	15	19	+4
	100	100	
Labour Leaders, Private Sector			
Needs less emphasis	22	28	+6
Emphasis is right	60	50	-10
Needs more emphasis	18	22	+4
	100	100	

Source: Canadian Labour and Business Centre, *Viewpoints 2000 Leadership Survey and Viewpoints 2002 Leadership Survey.*

Views on Immigration Levels by Industry Sector

In all industry sectors, a minority of managers and labour leaders felt that "too high immigration levels" was a serious problem for the economy and labour market (see Table 5). In the construction sector, for example, only one-quarter of managers and labour leaders held this view. Whether in construction, manufacturing, education or health care, a relatively small share of business and labour leaders say that too high immigration levels is a serious problem facing the economy and labour market.

This is not to say that managers and labour leaders have no concerns about "too high immigration levels". The percentage of leaders viewing the issue as either a moderate *or* serious problem ranges from a low of 32 per cent among managers in the health care sector, to a high of 70 per cent among labour leaders in the construction sector (data not shown in Table 5). These industry sector differences may be in part due to the unique labour market conditions of the respective sectors. According to the Labour Force Survey (2002 annual average), the unemployment rate in the construction sector stood at 9.6 per cent, well above the all-industry average of 7.7 per cent, while the unemployment rate in the health service industry was just 2.2 per cent.

Table 5
Leadership Perspectives on Immigration Levels, by Industry Sector

	% saying "too high immigration levels is a serious problem"		% saying "increasing immigration needs more emphasis"	
	Managers	**Labour Leaders**	**Managers**	**Labour Leaders**
Private Sector				
Construction	23	25	26	25
Resources / Communications / Utilities	13	11	29	8
Manufacturing	18	25	21	19
Services	26	27	22	21
Transportation and Wholesale Trade	20	30	17	12
Public Sector				
Education	11	10	30	23
Health Care	19	11	31	24
Government (all levels)	10	21	20	15

Source: Canadian Labour and Business Centre, *Viewpoints 2002 Leadership Survey*

Views on Immigration Levels by Province/ Region

The uneven provincial settlement pattern of new immigrants is well known. Census data shows that the same uneven dispersion applies to the recent immigrant labour force - persons who immigrated to Canada between 1991 and 2000 and were in the labour force in 2001. Table 6 shows that 57 per cent of the recent immigrant labour force went to Ontario's labour market and just 19 per cent went to British Columbia's. Only 2.5 per cent of the recent immigrant labour force joined the labour markets of Manitoba and Saskatchewan, and less than one per cent to the Atlantic provinces' labour markets.

In simple numerical terms then, Ontario received three times as many labour force immigrants as B.C. However, if we adjust the figures to reflect the size of the labour force in each region (expressing the recent immigrant labour force as a percentage of the total labour force), we see that B.C.'s "labour force immigration rate" is almost identical to that of Ontario. And while the province of Quebec received a larger share of the recent immigrant labour force than Alberta, the adjusted figures show that relative to the total labour force, the impact of immigration on Alberta's labour force has been greater than in the province of Quebec.

Previous research has found that public attitudes toward immigration are influenced by immigration rates, with opposition to immigration more prevalent in regions with higher rates of immigration[6]. In a similar way, we can examine whether the views of managers and labour leaders about immigration levels vary in relation to regional differences in immigration rates. Are managers and labour leaders in regions with a high rate of immigration more likely to view immigration levels as too high?

The *Viewpoints 2002* survey data provide some support for the link between uneven distribution and views about immigration levels:

The percentage of managers saying too high immigration levels is a serious problem for the economy and labour market is greatest in the province of Ontario – the province with the highest level of recent immigrants in the labour force.

Managers in Ontario are also the most likely to say that decreasing immigration levels requires more emphasis.

In the three provinces with the highest labour force immigration rates (Ontario, British Columbia and Alberta), managers are more likely to say too high levels are a serious problem.

Labour leaders in provinces with very low labour force immigration rates (Manitoba/Saskatchewan and the Atlantic provinces) are extremely unlikely to see too high immigration as a serious problem for the economy, and very unlikely to say that decreasing levels needs more emphasis.

Despite the above observations, there are clearly anomalies to the suggested association between levels and attitudes. For example, managers in the Atlantic provinces are just as likely as those in Alberta to say that decreasing immigration levels needs more emphasis, despite the fact that Atlantic Canada received relatively few immigrant labour force participants. These anomalies could be due to the small sample sizes of the regional sub-groups in the *Viewpoints* survey, or indeed, related to other factors such as regional variations in economic conditions. However, it is beyond the scope of this research to examine these issues further.

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[6] Douglas L. Palmer. *Canadian Attitudes and Perceptions Regarding Immigration: Relations with Regional Per Capita Immigration and Other Contextual Factors*, 1999. http://www.cic.gc.ca.

Perhaps the most important observation, for the purposes of this research, is that in no province did a majority of business and labour leaders feel that "too high immigration levels" was a serious problem for the economy and labour market. In all regions, including Ontario and British Columbia, only one quarter or less viewed too high levels as a serious problem.

Table 6
Regional Views on Immigration Levels

	Recent Immigrant Labour Force		% saying too high levels a serious problem		% saying decreasing levels requires more emphasis	
Region	% Dist'n	% of total labour force	Managers	Labour Leaders	Managers	Labour Leaders
Ontario	57.1	9.2	23.3	20.9	28.3	20.5
British Columbia	19.1	9.0	19.7	16.4	18.7	24.1
Alberta	7.7	4.4	20.5	15.4	24.7	25.9
Quebec	12.8	3.3	12.2	26.2	9.8	16.0
Manitoba & Sask.	2.5	2.2	17.7	3.0	16.3	3.0
Atlantic Provinces	0.8	0.7	16.0	5.9	23.2	8.6

Sources: Statistics Canada, 2001 Census; Canadian Labour and Business Centre, *Viewpoints 2002 Leadership Survey*

Focusing Immigrant Selection on Skills in Shortage

The *Viewpoints* survey asked business, labour and public sector leaders about the emphasis they felt should be given to "focusing immigrant selection on skills in shortage" (see Appendix 2, Question 2). The results are shown in Table 7 and may be summarized as follows:

- About one-half of private and public sector managers (56% and 49% respectively) felt that more emphasis should be given to this strategy. Only about 10 per cent of managers in both sectors felt that a focused immigrant selection strategy required less emphasis.

- Labour leaders were less likely than managers to say that focusing immigrant selection on skills in shortage needed more emphasis. Only one-third held this view. About one-third of labour leaders felt this strategy needed less emphasis and a remaining third said the current emphasis is "right".

- Among managers, there was relatively little in the way of provincial variation. Private and public sector managers in Alberta were most likely to say a focused immigrant selection strategy needed more emphasis (65%). Quebec's private sector managers were least likely to hold this view (36%).

Table 7
Percentage of Managers and Labour Leaders Saying "Focusing Immigrant Selection on Skills in Shortage Requires More Emphasis", by Province/Region

	Managers		Labour Leaders	
Province / Region	Private Sector (%)	Public Sector (%)	Private Sector (%)	Public Sector (%)
British Columbia	55	46	44	32
Alberta	65	64	--**	44
Manitoba / Saskatchewan	53	45	44	18
Ontario	60	49	37	53
Quebec	36	46	35	26
Atlantic Provinces	56	48	16	31
Canada*	56	49	36	34

* The Territories were included in the viewpoints Survey and are part of the Canada aggregate figures. However, because of small sample size, separate figures for the territories are unreliable and cannot be shown.
** Insufficent sample size.
Source: Canadian Labour and Business Centre, Viewpoints 2002 Leadership Survey.

Improving credential recognition

Problems acquiring Canadian recognition for qualifications obtained in other countries negatively affect the employment prospects of new immigrants. The licensing bodies of various trades and professions may not accept foreign obtained certification, and employers may have difficulty assessing educational credentials or may undervalue foreign work experience. Unfortunately, these difficulties too often result in a costly and ineffective transition into the labour market and an underutilization of available immigrant talent.

The federal government cites the assessment and recognition of foreign credentials as a key challenge of its *Innovation Strategy*, and in its 2003 federal budget, committed $13 million over two years to work in partnership with provincial and territorial governments to address the issue. Findings from the *Viewpoints* survey suggest that business and labour leaders are largely supportive of such initiatives. When asked about the emphasis that should be given to improving the recognition of foreign-trained worker credentials, more than 80 percent of managers and labour leaders in the private and public sectors felt that the current emphasis was "right" or that it "needed more emphasis" (see Table 8). Similarly high levels of support were recorded in all provinces/regions and within all industry sectors.

Table 8
Leadership Views on Recognition of Foreign-trained Worker Credentials
What emphasis should be given to improving recognition of foreign-trained worker credentials?

	Managers		Labour Leaders	
	Private Sector	Public Sector	Private Sector	Public Sector
Needs less emphasis	16	9	17	14
Emphasis is right	41	39	45	43
Needs more emphasis	43	52	38	43
	100	100	100	100

Source: Canadian Labour and Business Centre, *Viewpoints 2002 Leadership Survey.*

Immigration and Skill Requirements

In this section, we examine the strategic importance that business, labour and public sector leaders attach to the hiring of foreign-trained workers as a way of meeting future skill requirements.

Viewpoints respondents were asked to consider the importance of various actions in addressing their organization's skill requirements, not just those stemming from retirement, but from all factors (growth, diversification, etc.). Labour leaders were similarly asked to comment on the skill requirements of the organizations where their members work. The *Viewpoints* survey included a list of 15 possible actions, and managers and labour leaders told us whether the specified action was "not important", "somewhat important" or "very important". The overall results are shown in Table 9, and can be summarized as follows:

- Among managers and labour leaders in the public and private sectors there is remarkable degree of agreement on the actions most important to address skills needs. Out of the list of 15 possible actions, six captured the top five actions of every group, as measured by the percentage saying the action was "very important". The top five actions of each group are shown in the shaded cells of Table 9.

- Among private sector managers, "upgrading the skills of current employees" was the number one action, with 59 per cent saying it was very important. This was also the number one action of private sector labour leaders (70 per cent said this was very important).

- Among public sector managers, "improving succession planning" was most often cited as a very important action (63%). This was also the top choice of public sector labour leaders.

- Most of the top choices involve actions pertaining to the existing workforce. Upgrading employee skills, mentoring, retention measures and success planning are all actions focused on the existing workforce.

- The hiring of foreign-trained workers was infrequently cited as a "very important action" in addressing skill requirements, with only about one out of ten respondents having this view.

Table 9
Actions to Address Skills Requirements:
Percent of Managers and Labour Leaders Saying Selected Action is "Very Important"
(shaded figures represent top 5 actions based on % saying very important)

	Managers		Labour Leaders	
	Private Sector	Public Sector	Private Sector	Public Sector
Upgrading skills of current employees	59	61	70	52
Improving succession planning	50	63	59	61
Specific measures to retain current employees	45	49	44	54
Mentoring of young workers by older workers	45	50	64	58
Hiring young labour market entrants	40	39	50	39
Phased-in retirement policies	14	28	43	48
Changing job descriptions / reallocating work	23	35	18	27
Attracting workers from other organizations	23	35	17	19
Substituting machinery/equipment for labour	15	6	20	8
Contracting out	13	14	22	13
Hiring Aboriginals	9	19	22	20
Hiring foreign-trained workers	**9**	**9**	**10**	**14**
Hiring visible minorities	7	13	20	22
Downsizing	7	9	19	11
Hiring workers with disabilities	5	9	17	13

Source: Canadian Labour and Business Centre, *Viewpoints 2002 Leadership Survey.*

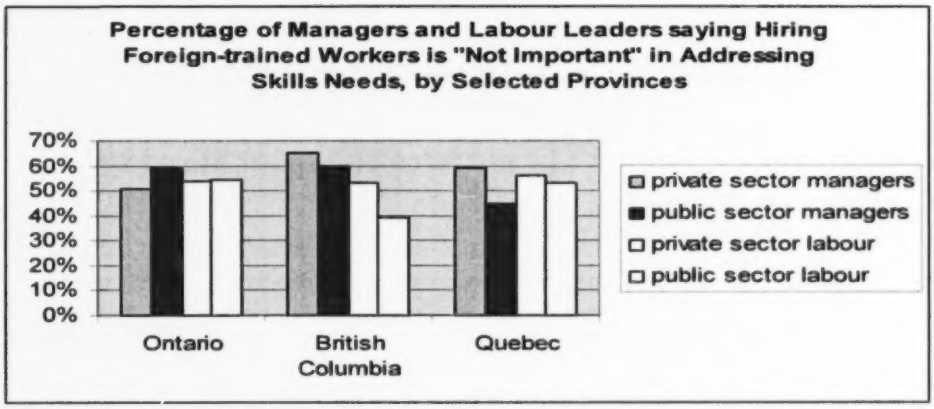
There is also much agreement between the four groups about the actions viewed as "not important" in addressing skill requirements. Among these is the hiring of foreign-trained workers. Among private sector managers, 64 per cent say hiring foreign-trained workers is "not important" in addressing their organization's skill needs. This action was also commonly cited by each of the three other groups as "not important" (see Table 10). This finding is surprising given that immigration is now the major contributor to Canada's labour force growth, and is projected to account for all of net labour force growth within the next five to ten years.

Table 10
Actions to Address Skills Requirements:
Percent of Managers and Labour Leaders Saying Selected Action is "Not Important" in addressing Their Workforce Skill Requirements
(shaded figures represent top 5 actions most commonly viewed as "not important")

	Managers		Labour Leaders	
	Private Sector	Public Sector	Private Sector	Public Sector
Downsizing	72	58	58	75
Hiring workers with disabilities	64	41	45	42
Hiring foreign-trained workers	**64**	**53**	**55**	**43**
Hiring Aboriginals	60	37	37	39
Hiring visible minorities	58	34	36	35
Contracting out	54	45	60	77
Substituting machinery/equipment for labour	53	68	47	73
Phased-in retirement policies	44	27	17	16
Changing job descriptions / reallocating work	28	17	36	33
Attracting workers from other organizations	24	11	40	27
Hiring young labour market entrants	17	20	9	28
Improving succession planning	13	5	8	11
Mentoring of young workers by older workers	11	6	7	9
Specific measures to retain current employees	11	13	18	15
Upgrading skills of current employees	5	4	6	18

One explanation for the lack of importance given to the hiring of foreign-trained workers is that uneven settlement patterns of new immigrant workers limits their availability to employers in some areas. As mentioned earlier, over one-half of the recent immigrant labour force is located in Ontario's labour market, and close to 90 per cent resides in three provinces (Ontario, British Columbia and Quebec). However, further analysis of the *Viewpoints* data shows that even in these immigrant receiving provinces, the hiring of foreign-trained workers is commonly viewed as "not important" in addressing skills needs (see Figure 1). In Ontario for example, 51 per cent of private sector managers and 59 per cent of public sector managers say hiring foreign-trained workers is not important in addressing their organization's skill requirements. About one-third of these managers said it was somewhat important, while only about 10 per cent said it was very important.

Figure 1



The perceived importance of hiring foreign trained workers as a solution to skill requirements does increase – albeit quite modestly - among firms facing potentially more urgent skill requirements. In the case of Ontario, managers expecting 10 per cent or more of their current employees to retire in the next five years were only somewhat more likely than those with fewer expected retirements to say that hiring foreign-trained workers was a very important action (8% versus 15%). Readers will recall that this is a province where all of the past decade's labour force growth was due to immigration. In short, the *Viewpoints* findings seem to indicate that for the majority of business and public sector leaders, the hiring of foreign trained workers is simply not viewed as an essential strategic solution to skill requirements. In the next section, we explore some of the perceived barriers to hiring such workers.

Perceived Obstacles to Hiring Foreign Trained Workers

Business and public sector managers were asked about the main obstacles their respective organizations would face in hiring foreign-trained workers (see Appendix 2, question #11). Respondents were presented with a list of six potential obstacles, and asked to choose the three main ones. Respondents were also given the option of choosing "no major obstacles."

Of those managers who expected to hire new employees[7], only a small proportion - 28 per cent of managers in the private sector, and 18 per cent of public sector managers – reported that no major obstacles were expected (see Figure 2).

The most commonly cited obstacle was language difficulties. Two-thirds of managers expecting to hire new employees felt that language difficulties would be a main obstacle in hiring a foreign-trained worker.

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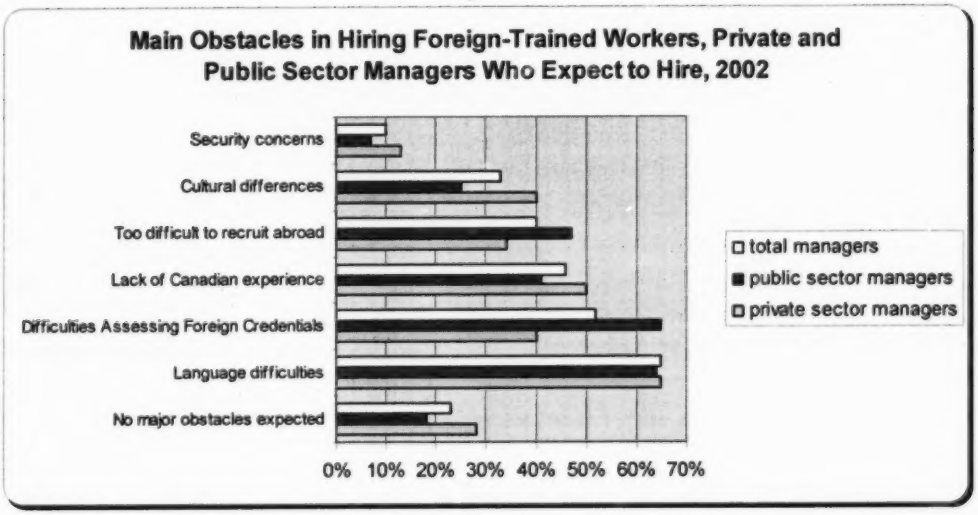
[7] 52% of private sector managers and 62% of public sector managers expected to hire new employees (no time frame was specified).

The second and third most commonly reported obstacles were "difficulties assessing foreign credentials" (52%) and "lack of Canadian experience" (46%). Proportionately fewer managers saw cultural differences as an obstacle (33%), while "security concerns" was seldom cited as a major obstacle to hiring foreign-trained workers (10%).

Figure 2


Main Obstacles in Hiring Foreign-Trained Workers, Private and Public Sector Managers Who Expect to Hire, 2002
Security concerns
Cultural differences
Too difficult to recruit abroad
Lack of Canadian experience
Difficulties Assessing Foreign Credentials
Language difficulties
No major obstacles expected
0% 10% 20% 30% 40% 50% 60% 70%
total managers
public sector managers
private sector managers

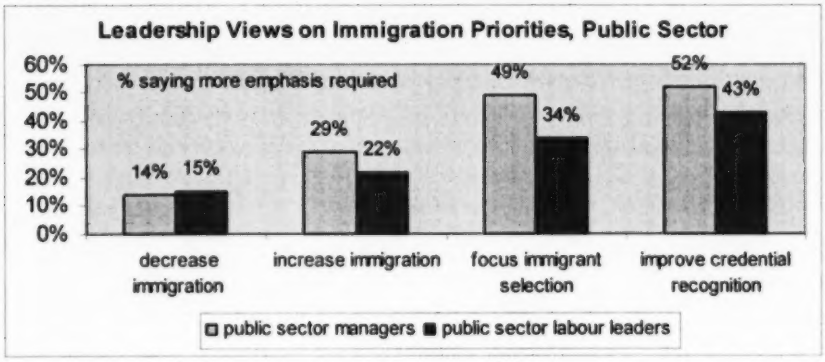
Summary and Conclusion

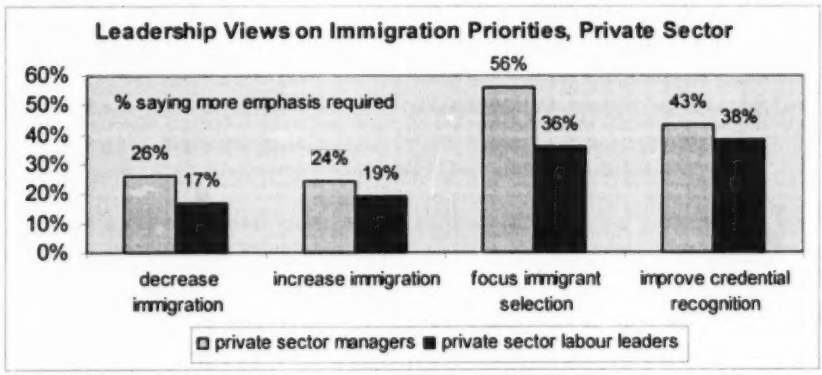
By and large, business, labour and public sector leaders do not report a high level of concern about the impact of immigration levels on the Canadian economy and labour market. Respondents to the *Viewpoints* survey do not tend to see "too high levels" as a serious problem for the economy. Nor do they see "too low levels" as a serious problem. When immigration levels are viewed as problematic, they are most likely to be seen as moderate problems. It is therefore not surprising that relatively few private or public sector leaders would place more emphasis on changing immigration levels, either increasing or decreasing them (see Figure 3).

Instead of adjustments to levels, survey respondents were far more inclined to emphasize a strategy of focused immigrant selection on skills in shortage. About one-half of public and private sector managers, and one-third of labour leaders, indicated that focusing immigrant selection required more emphasis. These *Viewpoints* findings are consistent with those based on consultations held between the CLBC and business and labour organizations in the spring of 2001. During those consultations, which sought to gather input about the problems of, and solutions to, skill shortages, many business organizations suggested that increasing immigration in key occupations and skills was highly desirable and would contribute, at least in the short-term, to easing some types of

skill shortages[8]. Labour, for its part, was somewhat less supportive of using immigration to address skill requirements, instead arguing for policies requiring employers to invest in training of their current workforce.

Figure 3





In addition to a strategy of focused immigrant selection on skills in shortage, *Viewpoints* respondents were also inclined to support initiatives aimed at improving the recognition of foreign-trained worker credentials. Findings show that roughly 40 per cent of business and labour leaders say this requires more emphasis. This is not surprising insofar as survey respondents also cited "difficulties assessing foreign credentials" as a main obstacle in hiring foreign-trained workers.

But selecting the right skills and recognizing credentials are clearly not the only areas requiring more emphasis. Most managers in the private and public sector (72%) expect to

[8] Canadian Labour and Business Centre. *Make Skills a National Priority.*

face a range of obstacles to the hiring of foreign-trained workers. These include language difficulties, the previously mentioned problem of assessing credentials, as well as problems due to a lack of Canadian work experience.

The perceived obstacles to hiring foreign-trained workers may be one reason why so few business and public sector managers attach strategic importance to the hiring of foreign-trained workers as a way of meeting future skill requirements. *Only nine percent of managers said that hiring foreign-trained workers is a "very important action" in addressing their organization's skill requirements.* Indeed, managers more commonly cited "contracting out" and "changing job descriptions" as solutions to the future skill requirements.

In the context of a labour market whose growth is increasing dependent upon immigration, and a business environment in which concern about skill shortages is on the rise, it may seem anomalous that foreign-trained workers are not viewed by managers as a more important skills resource. However, there is a prevalent and common awareness of the obstacles to hiring of foreign-trained workers, and substantial support for policy approaches that would address these, through a more focused immigrant selection process and initiatives aimed at improving credentials recognition.

One of the key challenges arising from these observations is how to effectively engage the business and labour communities on immigration issues. Further consultation with these constituencies could examine whether current immigrant selection criteria are sufficiently responsive to Canada's labour market needs, and what potential roles business and labour might play with respect to their preferred strategies of focused immigrant selection and improving credential recognition.

Appendix 1

In your view, how serious are the following issues facing the economy and labour market?	Private Sector				Public Sector			
	Managers		Labour Leaders		Managers		Labour Leaders	
	% saying serious problem	Rank among 39 issues	% saying serious problem	Rank among 39 issues	% saying serious problem	Rank among 39 issues	% saying serious problem	Rank among 39 issues
Health Care issues	55%	3	81%	1	63%	1	89%	1
Reduced government spending on social programs	27%	19	77%	2	45%	5	81%	2
Polarization' of work hours	19%	28	74%	3	29%	17	77%	4
Privatization of government services	13%	36	67%	4	18%	29	78%	3
International trade issues	31%	16	66%	5	46%	4	66%	5
Increased government deregulation	12%	38	65%	6	14%	35	62%	7
Impacts of globalization on Canadian business environment	26%	20	63%	7	38%	9	57%	10
Lack of jobs	20%	26	58%	8	21%	27	51%	12
Environmental degradation	31%	17	55%	9	36%	11	64%	6
Shortage of skilled labour	48%	5	55%	10	57%	2	59%	9
High personal taxes	75%	1	53%	11	49%	3	40%	20
Canada-US economic integration	32%	15	51%	12	38%	10	55%	11
Unemployment rate	13%	35	50%	13	16%	33	41%	19
Issues of workplace security	7%	39	50%	14	10%	38	43%	17
Amount of workplace training	17%	29	48%	15	26%	22	44%	15
Lack of national consensus on economic priorities	38%	10	47%	16	23%	24	40%	21
Quality of workplace training	16%	30	47%	17	20%	28	42%	18
Under-utilization of available skills	22%	24	46%	18	35%	13	47%	13
Income inequality	12%	37	46%	19	18%	30	62%	8
Federal/Provincial Relations	38%	11	37%	20	32%	14	37%	23
Brain Drain'	38%	12	37%	21	27%	20	34%	24
Accessibity of post-secondary education	14%	34	37%	22	27%	21	46%	14
Poor labour-management relations	23%	22	36%	23	17%	31	44%	16
Lack of innovation	37%	13	36%	24	42%	7	28%	26
Canadian dollar exchange rate	40%	7	35%	25	38%	8	40%	22
Lack of capital for small business	39%	9	35%	27	31%	15	28%	27
Candian firms international competitiveness	33%	14	35%	26	35%	12	26%	28
Government deficits/debts	53%	4	34%	28	42%	6	26%	29
High interest rates	29%	18	33%	29	26%	23	21%	32
Inadequate literacy among new labour force entrants	22%	23	31%	30	27%	19	32%	25
Poor interprovincial labour mobility	24%	21	24%	32	12%	37	11%	39
Inadequate literacy among current workers	15%	31	24%	31	23%	25	23%	30
Too-high immigration levels	22%	25	23%	33	14%	34	14%	35
Quality of education received by Canadians	19%	27	20%	34	16%	32	23%	31
Poor productivity performance	39%	8	19%	35	28%	18	19%	33
Increased government regulation	43%	6	18%	36	21%	26	13%	36
Uncertainties regarding national unity	14%	33	18%	37	8%	39	13%	37
High corporate taxes	60%	2	17%	38	30%	16	16%	34
Too-low immigration levels	14%	32	10%	39	14%	36	11%	38

Appendix 2 – Viewpoints Business Survey

A. Challenges Facing the Economy

1. In your view, how serious are the following issues facing the economy and labour market?

	Not a problem	Moderate problem	Serious problem
Canadian firms' international competitiveness	❑	❑	❑
Impacts of globalization on Canadian business environment	❑	❑	❑
International trade issues (WTO, etc.)	❑	❑	❑
Canada-U.S. economic integration	❑	❑	❑
Health care issues	❑	❑	❑
Federal/Provincial relations	❑	❑	❑
Reduced government spending on social programs	❑	❑	❑
Uncertainties regarding national unity	❑	❑	❑
Poor productivity performance	❑	❑	❑
Poor labour-management relations	❑	❑	❑
Unemployment rate	❑	❑	❑
Environmental degradation	❑	❑	❑
Lack of national consensus on economic priorities	❑	❑	❑
Increased government deregulation	❑	❑	❑
Increased government regulation	❑	❑	❑
Privatization of government services	❑	❑	❑
Government deficits/debts	❑	❑	❑
High personal taxes	❑	❑	❑
High corporate taxes	❑	❑	❑
High interest rates	❑	❑	❑
Canadian dollar exchange rate	❑	❑	❑
Lack of capital for small business	❑	❑	❑
Lack of innovation	❑	❑	❑
Shortage of skilled labour	❑	❑	❑
Under-utilization of available skills	❑	❑	❑
Inadequate literacy among current workers	❑	❑	❑
Inadequate literacy among new labour force entrants	❑	❑	❑
'Polarization' of work hours (more overtime and part-time workers, fewer working normal hours)	❑	❑	❑
Lack of jobs	❑	❑	❑
Issues of workplace security	❑	❑	❑
Income inequality	❑	❑	❑
Quality of education received by Canadians	❑	❑	❑
Accessibility of post-secondary education	❑	❑	❑
Amount of workplace training	❑	❑	❑
Quality of workplace training	❑	❑	❑
'Brain Drain' (loss of skills to U.S.)	❑	❑	❑
Too-high immigration levels	❑	❑	❑
Too-low immigration levels	❑	❑	❑
Poor interprovincial labour mobility	❑	❑	❑

2. What emphasis should be given to the following potential solutions?

	Need less emphasis	Emphasis is right	Need more emphasis
Improve federal-provincial relations	❑	❑	❑
Address health care funding issues	❑	❑	❑
Improve social security provisions	❑	❑	❑
Improve access to capital for small business	❑	❑	❑
Increase private sector research & development	❑	❑	❑
Increase government support for research & development	❑	❑	❑
Lower personal taxes	❑	❑	❑
Lower corporate taxes	❑	❑	❑
Reduce government spending	❑	❑	❑
Reduce government regulation	❑	❑	❑
Slow down/stop government deregulation	❑	❑	❑
Lower interest rates	❑	❑	❑
Increase private sector investment in plant, equipment, technology	❑	❑	❑
Increase public sector investment in infrastructure	❑	❑	❑
Accelerate privatization of government services	❑	❑	❑
Slow down/stop privatization of government services	❑	❑	❑
Improve education quality and content	❑	❑	❑
Improve accessibility to post-secondary education	❑	❑	❑
Increase government investment in education and training	❑	❑	❑
Improve workplace training	❑	❑	❑
Promote alternate working arrangements (telework, flexible hours, etc)	❑	❑	❑
Reduce work time	❑	❑	❑
Improve labour-management relations	❑	❑	❑
Improve inter-provincial recognition of worker credentials	❑	❑	❑
Improve recognition of foreign-trained worker credentials	❑	❑	❑
Focus immigrant selection on skills in shortage	❑	❑	❑
Improve Canada/U.S. border security	❑	❑	❑
Increase immigration	❑	❑	❑
Decrease immigration	❑	❑	❑

B. Demographic and Skills Issues

3. In the next five years, what percent of the workers in your organization do you expect will retire?

❑ Less than 10% ❑ 10% - 25% ❑ 26% - 50% ❑ Over 50% ❑ Don't know

4. In the next five years, what percent of the workers who retire from your organization do you expect to replace?

❑ None ❑ Less than 50% ❑ 50% or more ❑ All ❑ Don't know

5. At present, how actively is your organization addressing the question of replacing workers who retire?

❑ Not at all ❑ Slightly ❑ Somewhat actively ❑ Very actively

6. If you intend to replace workers over the next five years, do you expect to face:

❑ No significant problems? ❑ Moderate problems? ❑ Very significant problems?

7. **Looking at <u>all</u> your skill needs (growth, retiree replacement, etc.), how important will each of the following actions be in addressing these skill needs?**

	Not Important	Somewhat important	Very important
Attracting workers from other organizations	❑	❑	❑
Hiring young labour market entrants (15-24 years)	❑	❑	❑
Hiring foreign-trained workers	❑	❑	❑
Hiring aboriginals	❑	❑	❑
Hiring disabled workers	❑	❑	❑
Hiring visible minorities	❑	❑	❑
Upgrading skills of current employees	❑	❑	❑
Improving succession planning	❑	❑	❑
Phased-in retirement policies	❑	❑	❑
Mentoring of young workers by older workers	❑	❑	❑
Changing job descriptions; reallocating work	❑	❑	❑
Specific measures to retain current employees	❑	❑	❑
Contracting out	❑	❑	❑
Downsizing	❑	❑	❑
Substituting machinery/equipment/technology for labour	❑	❑	❑
Other (specify) _____	❑	❑	❑

8. **If you anticipate problems in meeting all your skill needs, how important do you expect the following potential problems to be?**

	Not Important	Somewhat important	Very important
Low management priority on meeting skill needs	❑	❑	❑
Inaccurate picture of what new skills are needed	❑	❑	❑
Increased efforts by other employers to retain employees	❑	❑	❑
Competition from other employers for new workers	❑	❑	❑
Difficulties finding qualified foreign-trained workers	❑	❑	❑
Lack of qualified new graduates	❑	❑	❑
Lack of needed skills available internally	❑	❑	❑
Low worker literacy will impede training/upgrading	❑	❑	❑
Poor information on employees' current skills	❑	❑	❑
Lack of internal training/upgrading resources	❑	❑	❑
Low management priority on recruitment	❑	❑	❑
Poor succession planning	❑	❑	❑
Difficulties increasing compensation to attract workers	❑	❑	❑
Other (specify) _____	❑	❑	❑

9. **In training/upgrading employees, how important are the following methods to your organization?**

	Not important	Somewhat important	Very important
Organization doesn't train employees	❑	❑	❑
Informal, unstructured training	❑	❑	❑
On-the-job training	❑	❑	❑
Classroom training, lectures, etc	❑	❑	❑
Apprenticeship training	❑	❑	❑
Computer-based training (interactive, e-learning, etc.)	❑	❑	❑
Conferences, seminars	❑	❑	❑
Other (Specify) _____	❑	❑	❑

10. Please rank the <u>five</u> factors which you feel will be most important in attracting new employees to your organization. (1=most important; 2=next most important, etc.)

Compensation and benefits _____
Influence over work environment _____
Challenging work _____
Job security _____
Quality of colleagues _____
Work-life balance _____
Advancement opportunities _____
Training/development opportunities _____
Strong organizational leadership _____
Other (Specify) _____

11. Please rank the <u>three</u> main obstacles your organization would face in hiring foreign-trained workers. (1=most important; 2= next most important, etc.)(If you do not expect to hire new employees, mark N/A and proceed to the next question.)

N/A (go to next question) _____
No major obstacles _____
Difficulties assessing foreign credentials _____
Cultural differences _____
Other
(Specify)_____

Too difficult to recruit abroad _____
Lack of Canadian experience _____
Language difficulties _____
Security concerns _____

12a. In the last two years, how has the frequency of the following issues changed among older workers (over 50 years old) in your workplace?

	Decreased	No change	Increased
Requests for phased-in retirement	❑	❑	❑
Requests to work past normal retirement age	❑	❑	❑
Requests for leave to look after parents	❑	❑	❑
Requests for reduced work loads	❑	❑	❑
Requests for pre-retirement counselling	❑	❑	❑
Absenteeism	❑	❑	❑
On-job injuries	❑	❑	❑
Training requests	❑	❑	❑

12b. Over the last two years, how has the importance of retirement issues (pensions, counselling, etc.) changed, relative to other Human Resources Management and/or collective bargaining issues in your organization?

❑ Decreased ❑ No change ❑ Increased